

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 90-032-E - ORDER NO. 1999-54
JANUARY 21, 1999

IN RE: Proposal of Carolina Power & Light) ORDER APPROVING	1 PR
Company to Modify Experimental Large) AMENDMENT TO	
General Service Curtailable Schedule) SERVICE AGREEMENT	
LGS-CUR-TOU.) AND REVISED RATE	
) SCHEDULE	

This matter is before the Public Service Commission of South Carolina ("Commission") on the request of Carolina Power & Light Company ("CP&L") for Commission approval of an Amendment to the Service Agreement dated December 21, 1998, between CP&L and Nucor Steel, a division of Nucor Corporation ("Nucor"), and for Commission approval of revised Rate Schedule LGS-CUR-TOU-87A. CP&L currently provides electric power to Nucor's steel mill in Darlington County, near Dovesville, South Carolina, pursuant to an Electric Service Agreement dated January 11, 1990; a rate schedule designated as LGS-CUR-TOU-87; an amendment to the Electric Service Agreement dated November 23, 1992; and an amendment dated September 9, 1994.

The Amendment to Service Agreement provides in part:

- (1) Except for the changes set forth herein, the 1990 Electric Service Agreement between CP&L and Nucor (titled "Application for Supply of Electricity") dated January 11, 1990, as amended in 1992 ("Memorandum of Agreement")

dated November 23, 1992) and in 1994 ("Settlement Agreement" dated September 9, 1994) shall remain in full force and effect.

- (2) The LGS-CUR-TOU rate schedule, under which Nucor has been served since 1990 (as modified pursuant to the 1992 and 1994 amendments) should be modified and revised as shown in Attachment 1 to this Amendment.
- (3) CP&L will continue to provide service to Nucor pursuant to the LGS-CUR-TOU rate schedule as modified herein and attached hereto until December 31, 2003. CP&L and Nucor commit to undertake their best efforts to preserve the rate schedule and the Electric Service Agreement, as modified herein, and defend such documents against any attempts to further amend or modify the rate schedule and/or the Electric Service Agreement, unless agreed to by both parties in writing, until December 31, 2003. After December 31, 2003, either party may petition the SCPSC to modify the rate schedule and/or the Electric Service Agreement. The other party may oppose such request.
- (4) All other agreements between the parties shall remain in full force and effect.

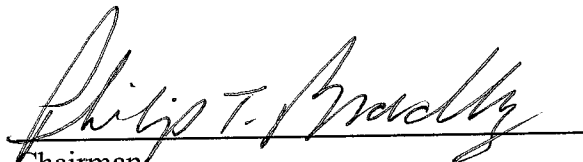
The pertinent changes to Rate Schedule LGS-CUR-TOU-87 are that (1) the charge for curtailable billing demand is reduced from \$2.37 per kW to \$1.50 per kW; (2) both the on-peak and off-peak energy charges are reduced by 1 mill; and (3) for customers with electric arc furnaces or similar devices, the customers may either elect to receive 60 minutes notice prior to a requested curtailment or 15 minutes notice before curtailment of at least 45 megawatts must occur with all remaining curtailable demand curtailed within 90 minutes of confirmed notice.

The Commission has reviewed the Amendment to Service Agreement dated December 21, 1998, between CP&L and Nucor and the revised Rate Schedule LGS-CUR-TOU-87A (attached to the Service Agreement as Attachment 1) and finds that the Amendment to Service Agreement dated December 21, 1998, and the revised Rate Schedule LGS-CUR-TOU-87A should be approved. As to the Amendment to Service Agreement, the Commission finds that the five-year minimum term is reasonable and that the provisions of the Amendment to Service Agreement are just and reasonable and in the public interest. As to Revised Rate Schedule LGS-CUR-TOU-87A, the Commission finds the revised rates, terms and conditions, and specifically the provisions related to Curtailable Periods, are just and reasonable and in the public interest. Therefore, the Commission hereby approves the Amendment to Service Agreement dated December 21, 1998, between CP&L and Nucor and the revised Rate Schedule LGS-CUR-TOU-87A. The effective date of the Amendment to Service Agreement is January 1, 1999, and the term of the amended Service Agreement is January 1, 1999 through December 31, 2003.

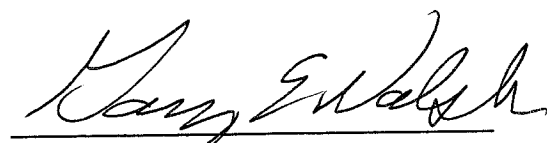
This Order shall remain in full force and effect until further Order of the Commission.

IT IS SO ORDERED.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)